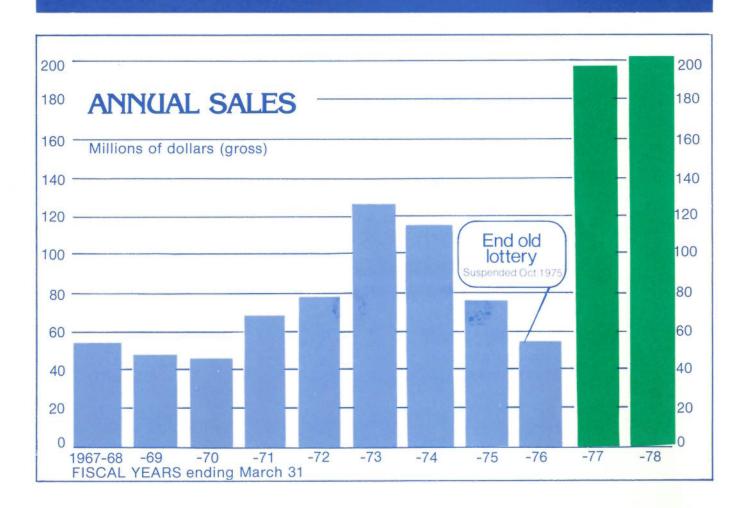
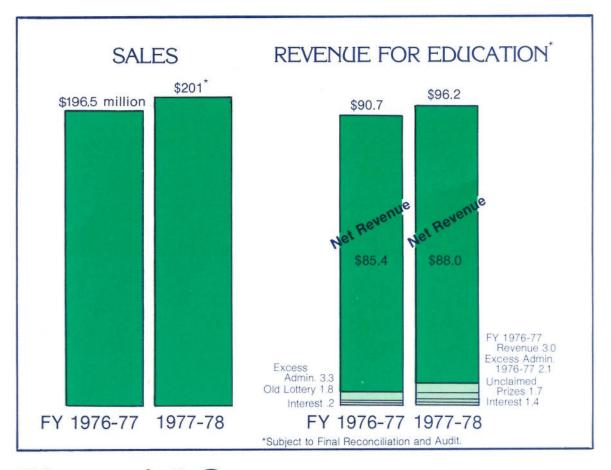


New York State Lottery ANNUAL REPORT FY 1977-78





# Financial Summary

STATE OF NEW YORK DEPARTMENT OF TAXATION AND FINANCE **DIVISION OF THE LOTTERY** 

# STATEMENT OF LOTTERY TICKET SALES AND REVENUE FOR EDUCATION

April 1, 1977 to March 31, 1978\*

LOTTERY TICKET SALES	
Instant Game 2	\$63,535,000
Instant Game 3	57,719,000
Instant Game 4	39,042,000
Weekly	40,704,000
TOTAL LOTTERY TICKET SALES	\$201,000,000*
REVENUE FOR EDUCATION	
Education revenue from current year sales	\$88,010,000
Education revenue from prior year sales	2,949,000
Unused administrative funds	2,136,000
Unclaimed prizes	1,701,000

1,363,000

\$96,159,000

TOTAL REVENUE FOR EDUCATION \*Subject to Final Reconciliation and Audit.

Interest income



# The New York State Lottery

SWAN STREET BUILDING EMPIRE STATE PLAZA ALBANY, NEW YORK 12223

JOHN D. QUINN DIRECTOR

September 8, 1978

The Honorable James H. Tully, Jr.

Commissioner, New York State Department of Taxation
and Finance

Executive Bureau State Campus Tax & Finance Building Albany, New York 12227

Dear Commissioner Tully:

In accordance with the provisions of subdivision c of section 1604 of the tax law, I am pleased to submit herewith a copy of the annual report of the Division of the Lottery for fiscal year 1977-78.

The information in this report will provide the "summary of Lottery revenues, prize disbursements and other expenses," for fiscal year 1977-78 required in your report to the Governor and Legislature as specified in the above statute.

Sincerely,

John D. Quinn

Director









Producing revenues in support of education at a rate more than two times greater than the average over the nine years before its restoration, the "new" New York State Lottery in fiscal 1977-78:

- 1. Again, raised in excess of \$90 million in support of education.
- Exceeded \$200 million in gross sales, a back-to-back fiscal performance that underscored the public's confidence and trust in the lottery's operations.
- 3. Put into place a lottery organization with a proven competency and capacity to maintain record revenue peaks and, measured by the "imaginative and innovative" projects on the planning board as the year ended, a potential for exceeding these peaks.

1976-1977 — the first fiscal year of the "new" Lottery — proved to be a very difficult "act to follow" because the public's overwhelming "welcome back" in September, 1976, and because of the State's first ever instant lottery which established selling standards that defied duplication.

1977-1978 was a year of stabilization. Nevertheless, Lottery revenues for education during the year were almost twice the return to New York State during the most productive selling year of the former lottery.

With 1977-78 fiscal year gross sales surpassing the \$200 million mark, total New York Lottery sales since 1967 reached by the end of November another milestone — the first state ever to achieve one billion dollars in Lottery sales.

Sales figures compiled by the end of November, 1977, put New York State Lottery sales to that date at \$1,020,245,971.

Of this amount, \$332,282,000 — or approximately one of every three dollars over the ten years of New York Lottery operations — was realized in a 15-month period, between the first day of the new Lottery on September 8, 1976, and November 30, 1977.

Sales in the New York State Lottery began in 1967 and were interrupted by the Governor's suspension of operations in October, 1975.

Here are the year-by-year sales totals for the New York State Lottery since its inception:

STATE FISCAL YEAR	
<b>ENDING MARCH 31</b>	<b>GROSS SALES</b>
1978	\$201,000,000
1977	196,465,000
1976	53,612,374
1975	92,936,452
1974	114,699,791
1973	130,001,297
1972	77,040,895
1971	70,083,768
1970	46,944,166
1969	48,980,471
1968	53,664,757

In addition to the more than \$186 million raised in support of education, the Lottery, since its restoration in September, 1976, had paid out more than \$157,251,943 in prizes to almost 43 million winners with thousands more winners in process.

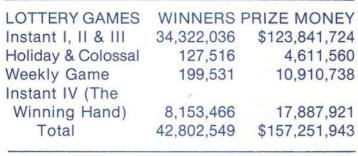
New York State's Lottery ticket sellers who receive a 6 percent commission on sales earned an estimated \$24,000,000 in this period.

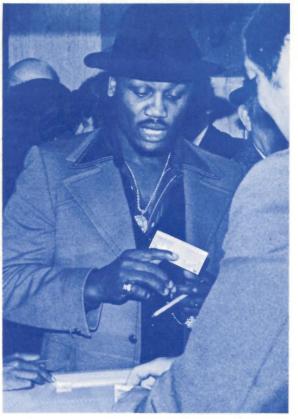
Here are the number of prize winners and the amount of their winnings through March 31, 1978:











# PROFILE OF THE N.Y. LOTTERY PLAYER



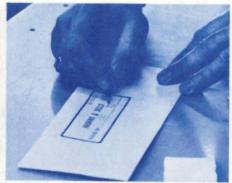
The average New York State Lottery player is a white male, between the ages of 55 and 64, with children over 18 years of age. A high school graduate, he is a blue collar worker who earns between \$15,000 and \$20,000 a year. The instant lottery is his favorite game and he buys between one and 5 tickets regularly, every week, at a newsstand mostly on Fridays.\*

\*Based on a survey of Lottery winners.



Where no one has a better chance than you.







2

At the beginning of the fiscal year, on April 1, 1977, there was a single Lottery game in play, Instant Game II.

On the last day of the fiscal year, on March 31,1978, the fourth instant game — the Winning Hand — was going strong, a weekly game was completing its 11th month; a subscription system which enables its patrons to play by mail, had an enrollment of more than 15,000 players; and preparations were completed for the launching of an historic first, the New York State Olympic Lottery.

The plan to vary types and subjects of the Lottery games offered to New Yorkers began materializing in 1977-78.

During the year, three different kinds of instant games were played: Instant Game Two with its rub-off prize boxes; Instant Game Three, a Bingo game with its circled numbers on a bingo playing card and The Winning Hand Game, with its playing cards that needed three matches.

The more traditional of the Lottery game formats was offered in the weekly game, which went on sale May 10, 1977. Lottery players in New York State now had a choice of "games".

In addition to the popular instant where buyers found out immediately if they had won a prize, the weekly game offered a ticket with 22 chances to win by matching numbers drawn every Friday with the numbers on the \$1 ticket purchased in the prior week.

By the end of the fiscal year, the list of winners of \$1,000,000 prizes in the New York Lottery had climbed to 15, eight of them gaining their financial windfall during the 1977-78 fiscal year.

Four of the new "millionaires" won their big prizes in the instant game, and four went all the way in the weekly game.

The \$1,000,000 winners this fiscal year were:

Maria Bisulca, 65-year old clerk from Glen Cove, whose lucky "13" was pulled out by Superstars Frank Sinatra and Dean Martin at the Uris Theater, in New York City, on May 23, 1977.

Michael Johnson, an 18-year old delivery clerk from New York City, won his \$1,000,000 at a drawing at Jones Beach, on July 22, 1977, with Yul Brynner, star of stage and the films, and Bandleader Guy Lombardo selecting the winning number.

Aaron Bellen, 48-year old Bayside used car dealer, won his \$1,000,000 at a Roseland Danceland drawing, presided over by TV Talkshow host Mike Douglas, on October 11, 1977.

Mrs. Bisulca, Johnson and Bellen were winners of \$1,000 a week for life, with a guaranteed minimum payment of \$1,000,000.

Mrs. Christine Boyer, 59-year old widow from Rouses Point who worked as a laboratory technician, was the winner of the Bingo game's grand prize of \$1,000,000, payable at \$50,000 a year for 20 years. Singing star Carol Channing, who had opened the night before on Broadway in a revival of "Hello Dolly," helped make Mrs. Boyer a "millionaire" at a jammed Roseland drawing which gave away almost \$3.5 million in prizes.

Four persons won \$1,000,000 prizes—payable at \$50,000 a year for 20 years—in the weekly game.

Each gained entry into a final drawing consisting of 15 persons by matching the six-digit number appearing under the Millionaire's Box on their ticket with the six-digit number selected that week.

Helen Cummings, 60-year old clerk from Hamilton Beach, was the first, winning July 29, 1977, in a drawing presided over by Singing Star Robert Merrill at Albany.







# The Making of a MILLIONAIRE

Eight more persons joined the ranks of New York State Lottery "Millionaires" during the fiscal year, 1977-78, bringing to 15 the number who have won the dream prize since sales were resumed in September, 1976.

A new way of picking the winner of \$50,000 a year for 20 years was introduced by The Winning Hand Instant Lottery:

"Losers" mailed in four matched stubs and from those entries finalists for the grand drawing were selected each week.

This photo story follows the selection process — from the receipt of the mailed-in entry to the selection at a public drawing, with each step along the way watched closely by Deloitte, Haskins and Sells, a private accounting firm which also supervises the security of the famed Grammy Awards.

# Here's how it was done:

- Under the supervision of Deloitte, Haskins and Sells, one envelope entry is selected from each mail bag.
- Each envelope thus selected is certified and sealed by Deloitte, Haskins and Sells as having been selected from the mail bags.
- 3. All the certified and sealed







envelopes selected from the mail bags are placed in a locked box and the box is in turn sealed by Deloitte, Haskins and Sells.

- The sealed box with the certified entries is opened at the public drawing and all of its entries placed in a large drum.
- A dignitary or a guest from the general public is invited to pick from the drum — which has been rotated many times — the winning entries, one at a time.
- 6. The seal and certification by

- Deloitte, Haskins and Sells of each envelope picked is verified and opened.
- Each winning entry is checked, to make certain that it contains the four valid, matched stubs required by the rules.
- The winners are announced to the public in attendance.
- Retired Albany barber Anthony Scuderi, 79, receives the congratulations of his wife and daughters on being selected as a grand drawing finalist.

Perry Scott, 58-year old retired Army mechanic, from Bridgeport (outside Syracuse) won his big prize on September 9, 1977, at Roseland, where TV Star Dick Cavett presided.

Monica Reselbach, 32-year old butcher from White Plains, won on October 27, 1977, at an Albany drawing conducted by film star Don Murray.

And Aliceanne Johnson, 43-year old hospital worker from Jamestown, won \$1,000,000 at a January 19, 1978, drawing at Albany with Pro Football Star Matt Snell as guest celebrity.

The January 19, 1978, drawing had a unique participant, an Evangelical Christian group which had received the winning ticket qualifying them for a chance at winning \$1 million as an anonymous donation from an unemployed construction worker. The Christian Broadcasting Network of Virginia Beach, Virginia, won \$15,000 in that drawing.

A number of "extra" opportunities to win were offered Lottery players during 1977-78—all without the need to buy extra tickets or to spend more money to participate—with prize money for these resulting from interest received on the prize fund.

The first was an "Extra Chance Drawing" whose winners were announced on the very first day of the new fiscal year, April 1, 1977.

In this "Extra Chance" Drawing, conducted by perennial "loser" Rodney Dangerfield at New York City, 100 persons who had sent in losing stubs each won \$1,000—for a giveaway total of \$100,000.

This was followed by six weekly drawings, each for twenty prizes of \$1,000 each for persons who were asked to spell "E—PIRE S—AKES", without the hard-to-get letters "M" and "T". This spelling "bonus" paid out \$120,000 in prizes.

In August, a "bonus" six-digit number was drawn in the weekly lottery, doubling the chances that week of its players to win \$10,000 or enter the drawing for \$1,000,000.

In October, a supplemental drawing to distribute the savings resulting from the purchase of annuities for its \$1,000 a week for life winners and unclaimed Jackpot tickets in Instant Game Two, one woman won \$9,194.23, and 92 other persons each won \$5,000.

The winner of the \$1,000 a week for life prize in the regular drawing that night—Aaron



- Aaron Bellen, 48, Bayside used car dealer, with Mike Douglas.
- Helen Cummings, 60, Hamilton Beach clerk, with Robert Merrill.
- Christine Boyer, 59, Rouses Point widow, with Carol Channing (Wide World Photo).
  - 4. Maria Bisulca, 65, Glen Cove clerk, with Frank Sinatra.
- Aliceanne Johnson, 43, Jamestown hospital worker, with Matt Snell.
- Monica Reselbach, 32, White Plains butcher, with Don Murray.
- 7. Michael Johnson, 18, New York City delivery clerk.
- Perry Scott, 58, retired Army mechanic from Bridgeport, with Dick Cavett.

# New LLIONAIRES



Bellen—stayed on and, on the last bonus draw for a \$5,000 winner, won that amount.

New York State's "I Love New York Festival" produced another bonus—a new car prize and other money and free ticket awards.

In a "Bingo" Losers' Game, five weekly drawings from among entries mailed in with losing ticket stubs, awarded \$250,000 in prizes. Each week, 116 prizes were given away, topped by two first prizes of a choice of his and her cars, a trip to anywhere in the world, college scholarships or U.S. Savings Bonds, each with a cash value of about \$15,000.

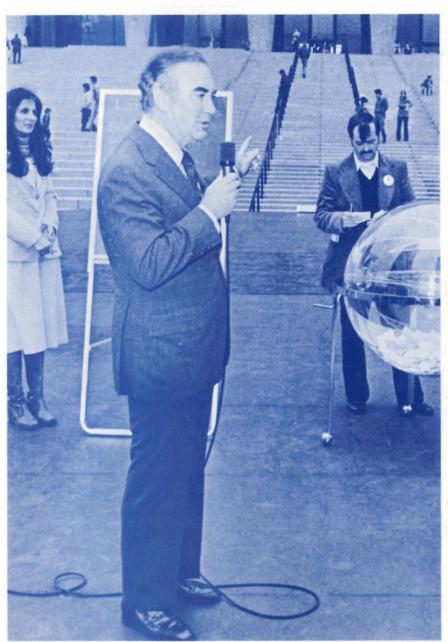
In January, a "Super Bowl" bonus—an extra four-digit number based on the final score of the Super Bowl Game—offered an extra chance to win \$100; and, in March, there were three Aqueduct Bonus numbers, where an extra five-

digit number—and a chance to win \$1,000—was selected, based on the numbers of the winners of the first five races. As an "extra extra" bonus, persons who were at the track and matched this number, won an additional \$1,000.

The first Olympic Lottery in American history came into being in 1977.

An historic government commitment to support a permanent training program for winter sports athletes was contained in legislation signed into law by Governor Hugh L. Carey on August 16, 1977, establishing the New York State Olympic Lottery.

Daniel Codden, who joined the New York State Lottery shortly after its reorganization in May, 1977, was named Chief, Olympic Lottery section. Prior to his promotion, he was in charge of Lottery ticket production and



Governor Hugh L. Carey, left, draws the winning number for the "I Love New York Festival" conducted at Albany, one of many extra chances to win offered by the New York State Lottery during the 1977-78 Fiscal Year. The "extra" opportunities were offered all without the need to buy extra tickets or to spend more money to participate, with prize money for these resulting from interest received on the prize fund. Prizes ranged from cash, to cars, to vacation trips, to scholarships.

# EXTRA EXTRA EXTRA EXTRA

drawings.

After public bidding and evaluation of proposals submitted by five firms, contract negotiations were completed in January with United States Secursystems, Inc., of New York City, to develop an Olympic Lottery for the State.

Under the agreement, a manufacturing facility for ticket production was established at Newburgh, as part of the development of the Olympic game, and this means 50 new jobs for

New Yorkers.

The Newburgh operation, with a capital investment of \$150,000, was to serve as the American production base of the international company that was, at that time, serving Canada and undertaking a major involvement in the American lottery market.

The Secursystems location in Newburgh was the second new manufacturing facility brought into the State as a direct result of Lottery contract negotiations.

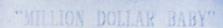


CHANCES TO WIN:

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# THE HADDY WINDS





CONGRATULATIONS ON WINNING A MILLION
DOLLARS, YOU DESERVE EVERY PENNY OF THE
YOU'VE WORKED HARD ALL YOUR LIFE
AND NOW ITS TIME TO ENJOY YOURSELF,
THANKS FOR ALL THE HELP AND ASSISTANCE
YOU'VE GIVEN FACH ONE OF US, WHEN WE
NELBED IT, YOUR DEDICATION TO YOUR JOB
AND TRIENDS IS GOING TO BE MISSED.
YOUR FRIENDS IN THE LABEL ROOM.



# The Millionaires' Club

Some of the 15 persons made millionaires by the New York State Lottery since it resumed sales in September, 1976, watch as a July, 1977, drawing at Jones Beach, picked another winner of \$1,000,000 to join their ranks. At the left, they walk with Lottery Director John D. Quinn, after the first meeting of the New York Lottery Millionaires' Club, at Jones Beach.





# PRIZES PAID IN THE NEW YORK STATE LOTTERY AS OF 3/31/78

	INSTANT GAMES I, II & III		HOLIDAY & COLOSSAL							
\$50	Number Paid 21,509	Amount Paid 1,075,450	Number Paid	Amount Paid	Number Paid	Amount Paid	Number Paid	Amount Paid	TOTAL PRIZES	TOTAL
\$100	10,774	1,077,400			40.574		12,447	622,350	33,956	1,697,800
\$500	5.480	2,740.000			13,571	1,357,100	0.00		24,345	2,434,500
\$500 Spell "STAKES"	4,770	2,385,000					594	297,000	6,074	3,037,000
\$1,000	2.396	2.396.000			1,295	1,295,000	40		4,770	2,385,000
\$2.500	554	1,385,000			1,290	1,295,000	40	40,000	3,731	3,731,000
\$2,500 Spell "NEW YORK"	855	2,137,500							554	1,385,000
\$2,500 Spell "EMPIRE"	1,058	2,645,000							855	2,137,500
\$3.000 \$3.000	1,000	2,045,000	222	505 000					1.058	2,645,000
\$5,000	1,441	7.205,000	222	666,000					222	666,000
\$5,000 JACKPOT	647	3,235,000					133	665,000	1,574	7,870,000
\$10,000	047	3,230,000			137				647	3,235,000
\$10,000 JACKPOT	279	2,790,000			137	1,370,000			137	1,370,000
\$15,000	219	2,190,000							279	2,790,000
\$20,000 JACKPOT	72	1,440,000			52	780,000			52	780,000
\$25,000 JACKPOT	25	625,000							72	1,440,000
\$50,000	3	150.000							25	625,000
\$75,000 JACKPOT *1	3	203.742			4	200,000			7	350,000
\$1,000 A WEEK FOR LIFE *2	10	6.961.861							3	203,742
\$26,250 COLOSSAL RUNNER-UP *3	10	0,961,861	15	440.050					10	6,961,861
\$980.000 COLOSSAL *3			15	418,359					15	418,359
\$100,000 JACKPOT *4	3	270,702	1	981,641					1	981,641
JACKPOT EXTRA *5	172	892.715							3	270,702
\$50,000 A YEAR FOR 20 YEARS *6	172				10				172	892,715
SUBTOTAL	50.050	558,426	200		4	2,219,278			5	2,777,704
SUBTUTAL	50.052	40,173,796	238	2,066,000	15,063	7,221,378	13.214	1,624,350	78,567	51,085,524
\$1,000 "LOSER" Extra Chance	100	100,000							100	100,000
\$1,000 "LOSER" Lucky Letters	120	120,000							120	120,000
LOVE NEW YORK Drawing	29	7,965							29	7,965
BINGO BONUS	580	265,000							580	265,000
Free Ticket	6,191,640	6,191,640					4,612,441	4.612.441	10.804.081	10,804,081
\$2.00	21,138,084	42,276,168					2.059,234	4.118.468	23,197,318	46,394,636
\$5.00	6,941,431	34,707,155					1,441,466	7,207,330	8.382.897	41,914,485
\$20.00			127,278	2,545,560	184.468	3,689,360		7,601,000	311,746	6,234,920
FREE SUBSCRIPTIONS				_,,_,		2,000,000	27,111	325,332	27,111	325.332
TOTAL	34,322,036	123,841,724	127,516	4,611,560	199,531	10,910,738	8.153.466	17.887.921	42.802.549	157,251,943
								Di templemati	180,000,0010	190, 4800, 1400, 500,

# Life Rolls Along as Usual For 'Instant' Millionaires

By DAVID SHRIBMAN

He wears polyester trousers and his sneakers have holes. She looks for sales in the grocery stores. Their children pay room and board.

children pay room and board.

But he also has a new outfit,
a light brown pinstripe suit he
bought at Easter. She can afford to leave the coupons at
home. And the house where
their children pay room and
board is a modern 14-room
home in an Orlando, Fla., suburb.

year ago things were so A year ago things were so tight for June and David Cardi-nal of Lancaster that they de-cided one February morning to apply for food stamps to help them feed their eight children.

That same day they bought two New York State Lottery tickets — and won \$1,000 a week for life, or a guaranteed \$1

for life, or a guaranteed 31 million.

Since then, things have changed. But in a way, they haven't changed at all.

Mr. Cardinal, 42, quit his job as chief truck mechanic with the William Pfohl Trucking Corp. in Cheektowaga. Some old debts were cleared away. The

Reprinted from the Buffalo Evening News, May 8, 1978.

"IT'S EVERYBODY'S dream," said Mr. Cardinal, who returned to Western New York this month to help his parents move. "I dreamed about it all

move. "I dreamed about it all the time, but I never thought it would happen to us."

No longer do the Cardinals have to worry about getting through the week with their checking accounts intact. Their check comes once a week and even if the government skims off 20 percent, there's still about \$800 left each week.
"It's a good feeling to know."

\$800 left each week.
"It's a good feeling to know
the money's always going to be
there," said Mrs. Cardinal. "No
matter what you want, the
money's always there."

The money wasn't always
there, however. Mr. Cardinal
remembers working long hours
— awakening at 6 a.m. and returning home the next morning
at 2 — and he hasn't let his
weekly windfall erase the
memories.

"I KNOR what it's like."

"I KNOW what it's like to struggle and to go without," he said, "and now I know what it's like not to worry about those things."

like not to worry about those things."

Now Mr. Cardinal spends most of his day in a light sport shirt, puttering around his new house, working in the yard, enjoying the sunshine.

He plans to open a business in Florida this autumn. He's not sure what the business will be but he's sure he wants to give his children a head start.

"We want them to have a business waiting for them." Mr. Cardinal said. "They're old enough to work now. "They all know the value of a dollar. There were times we didn't have it," he said.

MR. CARDINAL bought his entire family new outfits for Easter, but otherwise he has tried not to spoil his children. "I didn't give in every time they wanted something," he said. "Of course we bought better stuff at birthdays and at Christmas Time, but we didn't go out and buy them lots of toys or hand them money." So far none of the perils of prosperity have settled in, and Mr. Cardinal expects it to stay that way.

that way.
"It hasn't really changed my
life all that much," he said. "I
probably wouldn't be any different without the money."

## MILLION-**DOLLAR SMILES**

David and June Cardinal and their eight children took a 7,000-mile trip in their new van after they became millionaires in the New York State Lottery last year. They bought their winning ticket the day he applied for food stamps.



HASKINS & SELLS

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DELOITTE, HASKINS & SELLS

TWO BROADWAY

January 31, 1978

## AUDITORS' OPINION

New York State Lottery,

Swan Street Building,

Empire State Plaza,

Albany, New York 12223.

Dear Sirs:

We have examined the statement of revenue and revenue allocations of the New York State Lottery for the period from September 8, 1976 (start of operations) to March 31, 1977. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the above-mentioned financial statement presents fairly the results of the Lottery's operations for the period ended March 31, 1977, in conformity with generally accepted accounting principles.

Yours truly,

Haskins & Sells

# NEW YORK STATE LOTTERY

STATEMENT OF REVENUE AND REVENUE ALLOCATIONS
FOR THE PERIOD FROM SEPTEMBER 8, 1976 (START OF OPERATIONS)
TO MARCH 31, 1977

REVENUE:	
Lottery ticket sales:	
Instant Game One	
Holiday Special Came	\$104,805,000
Holiday Special Game.	9,545,000
Instant Game Two	82,115,000
Interest income on Lottery deposits	600,000
Less yendor and bank commissions	197,065,000
and bank commissions	13,161,000
NET REVENUE FROM LOTTERY OPERATIONS	- 57 . 5 . 7 . 5 . 5
NET REVENUE FROM LOTTERY OPERATIONS	\$183,904,000
REVENUE ALLOCATIONS:	3/2-1/000
Inttony prime ::	
Lottery prizes paid	
	\$ 78,797,000
Provision for administration expenses 16,437,000 Less excess provision over actual	
expenses(6,092,000)	
Net administration expenses	10.345.000
Net revenue allocated to	
Net revenue allocated to education	94,762,000
TOTAL REVENUE ALLOCATIONS	1.0
	\$183,904,000

# How the Lottery Dollar is Spent





